

10/25/77 [2]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/ att.	From Eizenstat to The President (29 pp.) re: US Membership in the ILO/ attached to note from Hutcheson to The president 10/25/77 <i>7 pp. opened per RAC NLC-126-9-28-3-9, 2/21/13</i>	10/24/77	A
memo	From Brzezinski to The President (6 pp.) re: Themes and Activities for International Trip / attached to Hutcheson to Powell et al. 10/25/77 <i>8 pp. opened per RAC NLC-126-9-28-2-0, 2/21/13</i>	10/19/77	A
memo	From Young to The President (1 page) re: Summary of Activities of US Mission to the UN/ enclosed in Hutcheson to Cabinet 10/25/77 <i>opened per RAC, 2/21/13</i>	10/21/77	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Hand-writing File 10/25/77 [2]

RESTRICTION CODES

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THE WHITE HOUSE
WASHINGTON

10-25-77

To Jim Mc Intyre

The memo re reorganization
& forming a new department
is good.

Proceed with a briefing
for me.

J. C.

MEMORANDUM

THE PRESIDENT HAS SEEN.

9:20 AM

THE WHITE HOUSE

WASHINGTON

Meeting with the Cliffords
Tuesday, October 25
9:20 a.m.
(5 minutes)
The Oval Office

(by: Fran *Veal* Vealde)

I. PURPOSE: to meet with the Cliffords who were early Carter supporters in New Hampshire

II. BACKGROUND , PARTICIPANTS, PRESS:

- A. Background : The Cliffords were early Carter supporters in New Hampshire. During the campaign he visited their home.
- B. Participants: The President,
John P. Clifford
Mary M. Clifford
John P. Clifford, Jr.
Michael K. Clifford
Kevin A. Clifford
Stephen G. Clifford
Alice B. Clifford
Wendy Berson --son John's fiance
- C. Press: White House Photographer only.

Electrostatic Copy Made
for Preservation Purposes

DECLASSIFIED October 21, 1977

Per: Rac Project

TO: President Carter
THROUGH: Jack Watson
FROM: USUN - Ambassador Young BY KS NARA DATE 2/19/13
SUBJECT: US Mission to the UN Activities, October 12-19

ESDN; NLC-126-9-28-1-1

1. NAMIBIA

A. The Western Five's Meetings with SWAPO

The question of South African troop withdrawal remains a major point of contention. SWAPO has rejected the South African plan and has presented one of its own calling for a complete withdrawal of South African troops. Despite an inability to reach agreement on withdrawal, the talks were concluded on a relatively positive note, with the Western Five emphasizing the measure of agreement reached and outlining the possible scenario of an eventual Security Council meeting.

B. The General Assembly Debate on Namibia

Thus far the debate has been non-confrontational; there are approximately 100 speakers slated to address the subject; Canada spoke on behalf of the Western Five. SWAPO President Nujoma's speech was calm, used moderate language and avoided both criticism of the contact group and discussion of the armed struggle.

2. DISARMAMENT

After a brief discussion on the new Soviet items on detente and the avoidance of nuclear war, the First Committee began its consideration of the disarmament items. Amb. Fisher, the US Representative to the Conference of the Committee on Disarmament, made the opening US statement which expressed the positive approach the US is taking towards the upcoming Special Session on Disarmament as well as giving a general overview of US disarmament policy.

3. THE UN RESOLUTION ON AID TO VIETNAM

The General Assembly formally approved the Vietnam assistance resolution passed in the Second Committee, again without a vote. The US reserved its position, referring to its statement in the Second Committee.

4. AMB. YOUNG MEETS WITH THE EUROPEAN COMMUNITY REPRESENTATIVES, 10/10

There seemed to be general agreement on the major issue before this General Assembly.

5. PRESIDENT OBASANJO'S VISIT TO NEW YORK

Amb. Young hosted a dinner October 14 and attended a dinner Oct. 13 hosted by the American Business Community in honor of Obasanjo.

6. AMB. YOUNG'S OTHER MEETINGS: Singapore Prime Minister Lee (10/13); Claude Cheysson, Commissioner of the European Communities (10/14); Host of Dinner in honor of President Bongo (Gabon) (10/17); Phillipine Deputy Foreign Minister Collanpes (10/18); Mr. Samson Ashamu (Nigeria) (10/19). PRESS: Ralph Uwechiue, African Journal, Ltd. (10/14); ABC, CBS, VOA (10/19). SPEAKING ENGAGEMENTS: Introducing Harry Oppenheimer, Foreign Policy Association (10/14); International Student Center Dinner, Marina City, Calif. (10/15); Salute to Yvonne (Burke) Dinner, Los Angeles (10/15); New Jersey Democratic Party Dinner for Gov. Brendon Byrne, Cherry Hill, N. J. (10/18).

THE WHITE HOUSE
WASHINGTON

October 25, 1977

Jody Powell
Zbig Brzezinski
Jim Fallows

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson
cc: The Vice President
Hamilton Jordan

CONFIDENTIAL ATTACHMENT

DECLASSIFIED
Per, Rac Project
ESDN: NYC-126-9-29-2-0
BY KS NARA DATE 2/19/12

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
		EIZENSTAT
	/	JORDAN
		LIPSHUTZ
		MOORE
/		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
/	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
/	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

MEMORANDUM

THE PRESIDENT HAS SEEN.

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THE WHITE HOUSE

WASHINGTON

~~CONFIDENTIAL~~

October 19, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI

SUBJECT:

Themes and Activities for
Your Trip

*Zbig & Jim & Jody
Keep all speech
texts to not more
than 12 minutes -
Hone down
& leave
me room for
last minute
additions -
Proceed - J.C.*

As we have discussed, I believe your upcoming four-continent trip should include the following three elements:

-- Themes. Each country visited should have some central theme which is publicly articulated by you. This can be done either through a speech given during the visit, or through backgrounders and other comments.

-- Bilateral or Multilateral Issues. Given limitations of time, you will have to be very selective in what it is you wish to accomplish or specifically to discuss. The purpose of the visit is not to resolve a hodgepodge of issues but to leave behind a central message and to focus on issues of genuinely national importance.

-- Public activities ought to have, at least in some measure, the two above requirements in mind.

In light of the above, let me outline our present thinking on themes and public activities. Please indicate whether we are proceeding in the right direction.

Satellite Statement

I suggest you make a brief (5-7 minute) statement, following on the Inaugural statement, that would be carried as widely as possible just before the trip. It would set the trip in context: the importance of building for the future in many ways and involving many nations. This would include:

-- building upon relations with the major Western states --especially in economics -- for the benefit of all countries;

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ESDN: NLC-126-9-28-2-0

BY 125 NARA DATE 2/19/15

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-- the critical importance of greater involvement of developing countries in major global decisions, and the building of new North-South relations (with shared rights, benefits, and responsibilities); and

-- the need to reach across ideological lines for approaches to global problems. Energy should be given a special mention as a particular economic problem facing all nations.

In sum, this curtain raiser would set the trip in perspective, and tie a number of Administration themes together.

Venezuela

The major theme here would be cooperation and co-responsibility (Jim Fallows has suggested, alternatively, "shared" or "mutual" responsibility). This theme would be articulated in your speech to the Venezuelan Congress.

-- Cooperation. U. S. relations with the developing countries need a new basis. We seek to lay a foundation that will allow us to cooperate with all nations as we address economic and political issues, such as non-proliferation and alternative forms of energy, human rights, peace-keeping, North-South economic issues, and technical cooperation among developing relations.

-- Co-responsibility. The U.S. and some other nations in the developed and developing worlds share special responsibilities for the peace and stability of political systems and for assuring that the world economy functions well. This includes a responsibility for the development of poorer nations. This also includes, in the case of Venezuela, the need for moderation in oil pricing, a major issue to stress.

In addition to the above, a secondary theme would be stressed during your visit to Caracas, namely:

-- Venezuela: a nation where democracy, human rights and economic development co-exist and prosper.

Brazil

Again the theme of cooperation and co-responsibility would be pursued:

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-- We desire to work with Brazil in the future -- as we have done on other issues in the past -- on important global issues, like energy (nuclear and other alternatives), world trade and commodities, and science and technology. With respect to co-responsibility, the U.S. would be more forthcoming, for example, in our contribution to the development banks if Brazil and other recipient countries demonstrate their concern for the poor in their countries as well as the poorest countries.

Two additional themes would also be pursued:

-- Human Rights. In brief remarks before the Brazilian Congress and during your reception for a cross section of Brazilian society, you would stress the importance we attach to the rule of law and to democratic institutions, but this should be done in a sensitive way so that the Brazilian Government feels prodded but not pushed. We want to make our points about human rights without insulting them.

-- Historical Ties. In referring to past cooperation, you would stress our historical relationship, including fighting together in World War II.

add: Nuclear power & non prolif

Nigeria

Here the major theme would be our new spirit of involvement with Africa. This theme, articulated in your speech in Lagos and symbolized in your other public activities, would include these elements:

-- U.S. initiatives in Southern Africa, designed to facilitate just and peaceful solutions, to progressively transform South Africa towards full political participation and to assist the emergence of economic rights (possible only through successful development).

-- The principle of non-interference by outside powers in African conflicts, reflected in our support for regional peacekeeping institutions and initiatives.

-- Our emphasis on development and North-South cooperation, linked to our goal that investment, technology and assistance will be increasingly available in practical conjunction with each government's development plans, and multilateral and bilateral programs.

Held down arms sales

As with Venezuela, you would also want to develop a secondary theme, namely:

-- Nigerian initiatives in Southern Africa, regional peacekeeping and regional development pave the way for useful and internationally recognized initiatives of any African government so inclined.

-- We expect Nigerian restraint on OPEC prices.

Saudi Arabia

No major theme would be articulated during your stop in Riyadh. You would, however, want to make these points:

-- Saudi Arabia's rapidly expanding role in international institutions and the world economic structure and the responsible role Saudi Arabia has played to date in the use of its great financial resources (e.g., its moderating role in oil pricing and in sustaining international economic stability and recovery). Need for restraint on OPEC prices.

-- The very close working relationship in all fields which has marked our relations with Saudi Arabia, including the constructive role which Saudi Arabia has played in our Middle East efforts.

India

The major theme of your visit to India would be human development and human rights. In your address to the Indian Parliament, you would state that there is no more critical task facing our countries -- and most of the world's countries -- than ensuring that the poorest of our people have the opportunity to achieve human dignity. This means, above all, that the basic human needs of all citizens are met.

A secondary theme would be our common ties to democracy, specifically:

-- In the past several years both India and the United States have passed through experiences that tested our national character and threatened our institutions. Both of us have passed these tests in the sense that the voice of the people has prevailed -- not by electing this or that party but through affirmation of the democratic process. India and the United States, despite our many weaknesses, have proven something that the world was beginning to doubt -- that freedom and democracy remain viable concepts in the latter half of the Twentieth Century for nations widely separated in their state of development.

Iran

As with Saudi Arabia, no major theme will be emphasized during your stopover in Tehran. However, flowing from the earlier theme of cooperation and co-responsibility, you would make the following points during your exchange of toasts at the luncheon and a brief informal press conference at the airport.

-- Iran has taken its place as a key member of the international community. It is a major contributor to multilateral lending institutions, an important source of investment capital in the developed and developing world and a force for stability in the international financial community.

-- Iran's security will continue to be a matter of great significance for the United States, since it is our own security interests which are involved. Our cooperation on security matters is also a base on which to build and expand our partnership on other emerging issues: on international cooperation between the developed and developing world, on the use of nuclear energy for peaceful purposes, and on the key issues of human welfare.

-- Iran must exercise self-restraint on oil prices.

France

Here the major theme would be the role of the modern democratic/ industrial state. Among other things, this theme would encompass:

- the nature and role of modern industrial societies;
- the common problems, approaches, and solutions tying the developed countries together;
- the relations between these countries and the developing world (building on your themes in Caracas, Lagos and New Delhi and discussing the French role in CIEC);
- the material and spiritual bases of Western cooperation and of liberal, democratic society.

In addition to the above, secondary themes in France should include:

also nuclear/arms sales/human rights

-- A strong bow to France, especially in terms of our democratic heritage and the traditional framework of Western cooperation in military/ security, political and economic affairs.

Poland

Cooperation despite ideological differences would be the major theme of your visit to Poland. This cooperation should focus on the great issues of today: peace and detente, North-South cooperation, the problems of modern industrialized societies and economic, scientific and technological cooperation.

Secondary themes in Poland would include:

-- Human Rights. You would mention Poland's contribution to the Western legacy of human rights (i. e., the May 3, 1791 Constitution) and its participation in the universal tradition of human rights. You would also refer to the Belgrade Conference and issues involving all three baskets. This theme would not be focused on Poland alone but would be directed toward all of Eastern Europe.

-- Polish-American Ties. Reference would be made to the traditional ties between our nations. Poland is the Eastern European country with which we have had the longest and closest ties, and our friendship reaches back to Polish assistance during the American Revolution.

Belgium

No major theme would be developed during your stop in Brussels, but two important principles of your foreign policy would be underscored -- our deep commitment to the NATO alliance and to the development of European integration.

Wrap-Up

Upon completion of your trip, I recommend that you address the American people, perhaps in a spontaneous fireside chat. The major themes of the trip would be recounted as well as the impression (and accomplishments) you gathered along the way.

Human freedoms & econ wellbeing go together

sh

THE SECRETARY OF STATE
WASHINGTON

OCT 17 1971

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MEMORANDUM FOR: THE PRESIDENT
From: Cyrus Vance *ev*
Subject: U.S. Membership in the ILO.

PROBLEM

The U.S. will withdraw from the ILO on November 6 unless you decide that our membership shall be extended. The Cabinet-level Committee on the ILO met on October 12, but failed to reach agreement on a recommendation to you. It was decided that alternative recommendations would be submitted: (1) to extend our membership for one year beyond November 6; or (2) to withdraw from the ILO pursuant to the letter of intent submitted two years ago.

RECOMMENDATION

I recommend that you decide in favor of the first alternative and authorize me to send a letter to ILO Director General Francis Blanchard notifying him that we have decided to extend the period in which U.S. withdrawal is pending for one year beyond November 6.

I believe the recommendation for a year's extension is reasonable. We will not be abandoning our original ILO objectives; we will be pursuing them. Our purpose will be to allow somewhat more time for progress to be achieved with the help of ILO members who share our concerns.

My recommendation is based on the following considerations:

1. A DECISION TO LEAVE THE ILO WOULD HAVE MAJOR NEGATIVE IMPLICATIONS FOR YOUR FOREIGN POLICY GOALS.

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GDS

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Per, Rac Project
ESDN; NLC-126-9-28-3-9
BY KS NARA DATE 2/19/13

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- 2 -

North-South Relations

-- You have made a policy decision to end U.S. isolation from the developing world and we have made significant progress to that end. We were particularly encouraged by the reactions we have received from your meetings with leading Third World representatives during your recent visit to the UN.

-- Withdrawal from the senior Specialized Agency, the ILO, would raise serious questions concerning the strength and reliability of our commitment. Particularly when the alternative is a one-year extension, it would be seen as a sharp reversal of our policy of improving relations with the Third World.

Relations with Allies

Our work in international organizations such as the ILO cannot be separated from our strong national interest in close working relationships with our allies on a broad range of issues. In the future, as in the past, they will look to us for leadership, for direction, for innovation, and for consistency of purpose.

-- If we appear to ignore requests from our allies that we stand together with them for another year in the ILO, our relationships and leadership role will suffer.

Effect on International Organizations

-- The role of international organizations is increasingly important to the U.S. because most global economic, social and some key political questions can only effectively be dealt with in the context of international organizations.

-- A decision to reject a one year's extension will provide a signal to other governments, and to international secretariats as well, on what to expect from the United States in the future on difficult institutional and political questions and on the standards which will govern our participation in international bodies.

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- 3 -

-- Withdrawal might provide a precedent which could be exploited by domestic interests opposed to the UN to force withdrawal from other international organizations in the future. Our withdrawal from the ILO might even influence other countries to withdraw from international organizations in response to decisions which they deem negative to their interests.

2. THERE HAVE BEEN SEVERAL MAJOR DEVELOPMENTS SINCE THE ADVERSE EXPERIENCE OF THE JUNE 1977 INTERNATIONAL LABOR CONFERENCE.

Diplomatic Demarches and Other Approaches

-- We have received numerous approaches from all of the major industrialized countries urging us to remain in the ILO. These representations are serious commitments to work with us to achieve our goals in the ILO and, in themselves, accomplish one of the principal purposes of our notice of withdrawal--to arouse the industrialized countries to support our efforts in the ILO.

-- Most industrialized countries have stated their willingness to work toward our objectives in the ILO, even if we decide to leave the Organization. They argue, however, that our objectives are likely to be achieved only if the U.S. remains an active member. Many of these approaches have been made directly to you by heads of government. For example, in a letter dated September 12, signed by Prime Minister Tindemans, the EC-9 countries pledged that they would work closely with us in the ILO to achieve our mutual objectives in the Organization. Many approaches were made to me directly by other foreign ministers in my bilateral meetings at the U.N.

-- Although the demarches from Third World countries have not generally pledged specific support of our reform objectives, consultations with the G-77 in Geneva reveal new prospects on progress if more time is available.

Our friends will not join us in leaving the ILO. Consequently, they--including our NATO allies and Israel--will be left to cope with defects in an organization which will only be magnified once our restraining influence and political prestige are subtracted.

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- 4 -

-- U.S. withdrawal from the ILO would cause Israel to face a particularly difficult dilemma. Without its principal ally, Israel's vulnerability to political attack will be sharply increased. It is not surprising, therefore, that the Israeli Government and Worker Representatives have not encouraged us to leave.

Letter of ILO Director General

ILO Director General Blanchard has taken a unilateral step to meet some of our concerns by writing to the Chairman of the ILO Governing Body making a strong case for priority attention to reform in two areas of concern to the U.S.:

(1) Improving the implementation of the supervisory machinery for international labor standards; and

(2) Strengthening due process through the screening of inappropriate resolutions.

-- Blanchard commits himself to use his present powers as Director General to prevent the introduction of inappropriate resolutions--a major U.S. objective--until clearer guidelines can be provided through amendment of Article 17 of the ILO Standing Orders. This represents a new level of commitment by the ILO Secretariat to upholding ILO constitutional processes.

Tunisian Initiative

-- The Tunisian Prime Minister has indicated his willingness, either at a Special Session or at the June 1978 Conference, to work under Egyptian leadership to re-introduce and press for adoption of the Report of the Committee on the Application of Conventions and Recommendations which was not adopted at the June Conference. No issue is considered more critical by the AFL-CIO than the adoption of this report which contained an evenhanded assessment of human rights violations under key ILO conventions.

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- 5 -

-- Extensive consultations in Geneva suggest that whether or not this Arab initiative proves successful, we should be able to re-establish the principle, violated only twice in fifty years, that the Conference accepts the work of the Committee on the Application of Conventions.

3. CONGRESSIONAL REACTION.

-- There is substantial Congressional support for U.S. membership in the ILO. Senator Humphrey and Congressman Fraser have sponsored letters to you expressing such support, signed by 63 members of the House and 15 Senators, including the Chairmen of the House and Senate Labor Committees.

-- A decision to withdraw would disappoint many of our most stalwart foreign policy supporters in the Congress.

-- Withdrawal would strengthen the hand of Congressional forces unsympathetic to U.S. participation in the UN. They would be encouraged to favor the use of the threat of withdrawal against other international organizations which do not conform to our wishes.

4. THE ILO IS A VALUABLE MEMBER OF THE UN FAMILY, WHICH SERVES OUR BASIC INTERESTS. ITS BENEFITS TO THE U.S. GO BEYOND DIRECT SERVICE TO AMERICAN LABOR OR BUSINESS. ?

-- The ILO has had a real effect in raising foreign wage levels, as in Japan, where its conventions were instrumental in stimulating adoption of minimum wage laws that contribute to the competitiveness of U.S. exports.

-- The ILO was primarily responsible for pioneering the "International Basic Needs Strategy" through the World Employment Conference of 1976. This plan is highly compatible with our own foreign assistance objectives and is regarded as a landmark by development economists.

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- 6 -

-- The ILO, despite its limitations, has consistently furthered human rights by strengthening working standards and developing pioneering international machinery for supervision of performance of its human rights conventions. It was the recipient of the 1969 Nobel Peace Prize for its contributions.

5. THE FUTURE.

-- In our 1975 notice of withdrawal, we stated our goal as "promotion of conditions in the ILO which will facilitate our continued participation". We have already achieved conditions that help pave the way for substantial further progress toward our objectives in the ILO during the coming year. If you decide to extend our membership, we have an opportunity to take advantage of the current, more accommodating mood in the Organization, to upgrade our representation in the ILO, and to make significant progress in accomplishing our goals.

-- Priority attention can be devoted to (1) further improving supervisory machinery for international labor standards and (2) developing clearer guidelines for assuring due process through the screening of inappropriate resolutions.

-- We can seek new ways to insulate the work of the ILO Committee of Experts (which monitors state implementation of ILO conventions) from political pressures in the annual conferences. This may include revision of voting procedures so that the device of abstention cannot be used to immobilize the conference.

OBJECTIONS WHICH MAY BE RAISED TO CONTINUED PARTICIPATION

Credibility

-- Credibility is at stake when the U.S., as it did two years ago, states that it will withdraw from the ILO unless there is progress toward reform. However, credibility is also at stake if we withdraw after our allies and friends from the Third World have declared } *I don't agree*

~~CONFIDENTIAL~~

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- 7 -

support for our objectives, asked us to remain in the Organization and, in effect, pledged themselves to follow U.S. leadership.

-- A foundation of U.S. foreign policy must be the trust of our friends which we cannot help but damage if we fail to respond affirmatively to their genuine efforts on our behalf.

Legality of Extension

In response to an official request from the Canadian Government, the ILO Legal Adviser issued an opinion holding that an extension of a notice of withdrawal is legally valid. The Legal Adviser of the State Department has reviewed this opinion and accepts it. Consultations in Geneva demonstrate that the other blocs accept it.

Tripartism

If you decide to extend U.S. membership, I would hope very much that Labor and Business could be persuaded to stay for another year despite their strong views to the contrary. If not, however, I believe that the Government should participate alone. It can be argued that if the Government participates alone during the coming year, this would undermine the principle of tripartism. On the contrary, it would be an expression of tripartism in demonstrating that U.S. workers and employers are truly independent and that they do not dominate U.S. Government participation any more than we dominate their representation.

CONCLUSION

That you authorize me to notify the ILO of our intention to extend the period in which U.S. withdrawal is pending for one year.

~~CONFIDENTIAL~~

EYES ONLY - CONFIDENTIAL ATTACHMENT

THE WHITE HOUSE
WASHINGTON
October 25, 1977

Midge Costanza
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jody Powell
Jack Watson
Hugh Carter

Re: Cabinet Summaries

The attached were returned in the
President's outbox today and are forwarded
to you for your personal information.

Rick Hutcheson

Attachment:

Transportation
GSA, STR, UN, EPA,
CEQ, CEA, Treasury,
Labor, Justice, HUD,
Interior, HEW, Commerce
and Agriculture



THE PRESIDENT HAS SEEN.

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

cc Stu
J

October 21, 1977

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson

SUBJECT: DOT Issues for Presidential Review

A large, stylized handwritten signature, likely 'Bob Callahan', is written over the subject line and extends into the right margin.

Information

The Administration's Energy Program

I have carried out the recommendation made at the Cabinet meeting chaired by the Vice President on Wednesday. Myself, senior officials of DOT and other staff officials will be making major statements in all our public speaking engagements, in support of passage of a good energy bill.

Our statements are being coordinated, as requested, with the appropriate White House officials.

Frontier Airlines Hijacking

Pursuant to P.L. 93-366 (Sec. e), the Administrator of the FAA has the exclusive responsibility for directing law enforcement actions in response to a hijacking while the aircraft is in flight. That is from the time the aircraft doors are closed until they are opened again to disembark passengers. Consistent with this responsibility, the DOT has established a situation room within the FAA to discharge this responsibility. This facility has the support of the FAA communications system which allows the immediate coordination and control of the efforts by the FAA, law enforcement agencies (such as the FBI), the pilot in command of the aircraft, company officials, and other agencies as required.

A memorandum of understanding between the FAA and the FBI defines their respective roles in these situations and the resources that each will contribute. This agreement vests in the FAA authority for determining whether the aircraft is in flight and therefore who is responsible for Federal law enforcement actions. This assures the easy identification of the ultimate decision-maker during air piracy incidents.

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for Preservation Purposes

Information

During yesterday's Frontier Airlines' incident these efforts provided teams of specially trained FBI negotiators at both Kansas City and Atlanta with support from a team of FAA doctors. The system worked extremely well during the incident yesterday with all groups carefully coordinating their actions through the Washington, D. C., situation room.

I am reporting this to you since the general pattern in the past has been that the publicity associated with a hijacking incident tends to trigger additional incidents. Additionally, the trend during this year has shown a substantial increase in the number of hijacking incidents world-wide. I wanted you to be aware of the extensive governmental machinery which responds to these incidents and which would permit you to immediately obtain information from our situation room here in Washington. I must add that the FAA operating procedures require notification of the White House situation room in the event of a hijacking.

Bilateral Air Negotiations

Toyko, Japan

The recent rounds of aviation negotiations in Tokyo ended on October 18. Little progress was made. The U. S. negotiating team insisted on a charter agreement and provision for low-fare services. The Japanese Government stated that they were not ready to conclude a charter agreement as part of the package. They asked for the charter portion to be deferred until after the remainder of the air agreement had been settled. The next round is scheduled to begin in Washington on November 28.

Belgium

On October 18, the U. S. and Belgium agreed on changes to the air bilateral agreement. The agreement represents a breakthrough, in that this is the first time we have been able to reach a long term, liberal charter agreement with any member state of the European Civil Aviation Conference (ECAC). It was agreed that neither government would regulate prices charged for charters. We have been seeking and will continue to seek in meetings next week in Paris with ECAC members, this type of liberal charter arrangement with other European countries.

Belgium received scheduled air service rights to Atlanta, which you supported. In addition, both Belgium and the U. S. expressed a joint commitment to an international aviation policy which features low fare, competitive international air services.

Information

I communicated the U. S. Government's pleasure to the Belgium Ambassador when I saw him earlier this week.

National Transportation Policy

We are completing proposals for presentation to you and to OMB for a National Transportation Policy and program which will include a legislative proposal for both highways and mass transit programs. It will also include a policy statement from which we will recommend portions for inclusion in your State of the Union Address.

We completed the last of our meetings with the affected government groups this week when I met with representatives of the Conference of Mayors/League of Cities and the local transportation authorities.

I think it is very important that we know the manner in which you want us to coordinate our urban strategy proposals with the White House and other Cabinet agencies. I have discussed this informally with Pat Harris and stressed that DOT funds over \$12 billion in public works-type projects inside and outside of cities each year. *She action*

My recommendation to you will stress the shift of funds to very large cities suffering from urban blight. This will require an assured source of funding for public transit and require cities to integrate their surface transportation systems into a program that revitalizes these areas. We will present the program in general terms at the OMB budget hearings on Thursday, October 27.

Financial Assistance for Intercity Bus Industry

The pending Senate version of the Energy bill contains a five-year, \$1 billion tax assistance program for the intercity bus industry, to be administered by the Treasury Department. The proposed tax credit would cover both fare costs and new construction and have the support of the industry, some State officials, and key members of the Senate (Long, Packwood, Haskell).

If the Administration supports such assistance, I believe this tax expenditure approach should be opposed, and support should be given instead to a direct grant program administered by this Department where it can be integrated with other surface transportation programs to be certain that small communities and lightly populated rural areas receive some public transportation.

Information

Otherwise, we will probably have subsidized bus service and subsidized rail service running along the same routes in direct competition with neither using our limited energy resources effectively.

Special Court for Regional Rail Reorganization Opinion

Last week the Special Court for Regional Rail Reorganization issued an interim opinion on a number of significant issues in a lawsuit. The lawsuit involves the valuation of rail properties transferred by Penn Central and the other bankrupt Northeast railroads to ConRail pursuant to the Regional Rail Reorganization Act of 1973. The opinion was generally favorable to the Government parties in that the Court decided to exclude evidence on a number of the railroad's theories of valuation, which could have increased the government's liability up to \$13-14 billion. The Court did, however, express skepticism about the correctness of the United States Rail Association's calculations that the properties were worth less than \$700 million. It tentatively ruled against the Government on a number of issues which may, depending on the Court's later rulings, have the effect of greatly increasing the Government's total liability. We are presently considering the nature and timing of Supreme Court appeals on these issues, and I am recommending to the Department of Justice that they appeal certain parts of the decision.

In light of this opinion, the Government does have the advantage of setting the upper limits of the government's liability and thus the estates' potential recovery in this litigation. We expect that settlement negotiations may begin within the next six months. The desirability of settling this lawsuit is increased by our assessment that the proceedings will be protracted (possibly as long as ten years) and thus very costly to both the government and the estates.

Major Oil Spill (ARGO MERCHANT) Settlement

The United States has agreed to accept \$1.1 million in settlement of oil cleanup related costs incurred during the attempted salvage of the ARGO MERCHANT. The 640-foot Liberian registered tanker broke into three parts last December after foundering on shoals in International waters, southeast of Nantucket Island. The vessel's cargo of 7.6 million gallons of heavy industrial oil poured into the North Atlantic causing one of the largest oil spills in this country's history. The payment by the owner's insurance underwriter on behalf of the "Tanker Owners Voluntary Agreement Concerning Liability for Oil Pollution" (TOVALOP), came as a result of seven months of negotiations held in the United States and England between attorneys

Information

representing the U. S. Coast Guard, the Department of Justice, the vessel's insurers and representatives of TOVALOP. Established in 1969, after the TORREY CANYON incident, TOVALOP is an International organization of tanker owners which provides reimbursement to national governments for expenditures necessary to avoid or mitigate damages from oil pollution incidents. The payment covers claims asserted by nine Federal and state agencies. This is the first such payment by TOVALOP to this country.

Concorde Landing in New York

After the Supreme Court declined to stay the decision of the Second Circuit to permit Concorde flights to JFK, the carriers moved quickly to begin test flights. A Concorde landed at New York on October 19, and departed and landed again on October 20. On takeoff, a noisier event than landing, the Concorde produced a reading of 105 PNdB at the Port Authority's measuring device. The Concorde was loaded on takeoff to the same weight it would be in every day commercial service, and was flown by an airline (rather than test) pilot. The Port Authority's noise standard for that point is 112 PNdB. Several subsonics were louder than the 105 Concorde reading. FAA technicians, who were monitoring at several other points, report that measurements appeared lower than expected. A report on the initial flights should be published November 1.



United States of America
General Services Administration
Washington, D.C. 20405

Administrator

October 21, 1977

MEMORANDUM TO THE PRESIDENT

SUBJECT: Weekly Report on GSA Activities

Postal Rate Case Intervention

The Postal Rate Commission has granted GSA's petition to intervene in the United States Postal Service's rate increase case. If the Postal Service's proposed \$1.9 billion rate increase is approved, Federal executive agencies would experience an annual increase in postal charges of more than \$131 million for a total charge of approximately \$650 million in FY 1979.

Donation Program

Forty state plans have now been approved by GSA for state participation in the expanded surplus personal property donation program under Public Law 94-519 which became effective October 17, 1977. Public bodies or nonprofit organizations in a state for which a plan has not been submitted and approved will not be able to qualify for donations until the state plan is received and approved.

Ford Volumes

The two volumes comprising the Gerald R. Ford 1975 edition of the Public Papers of the President series—compiled and edited by GSA's National Archives and Records Service—are scheduled for printing and distribution next week.

A handwritten signature in black ink, appearing to read 'Robert T. Griffin', written over the typed name and title.

ROBERT T. GRIFFIN
Acting Administrator

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THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS

WASHINGTON
20506

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October 21, 1977

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

Subject: Weekly Summary

Following your luncheon, I spent approximately an hour with Prime Minister Tindemans and Foreign Minister Simonet. We made considerable progress on the MTN and defined the problem areas on steel. They understand very clearly that this Administration is totally committed to the principles of trade that are so necessary to them, but that we are also committed to the enforcement of the laws of the land with respect to dumping -- this, of course, they are concerned about.

As I briefly stated to you, I have had relaxed, informal, but rather full discussions with those members of the Senate with whom you have met through Wednesday and your meetings have undoubtedly been very productive.

I met with Ambassador Peter Jay earlier in the week and told him of my disappointment at the amount of help our Geneva negotiations are getting from the British and urged him to transmit that message to his Government. He obviously did so because I have just received a cable from my Deputy, Al McDonald that the U.K. is on board as we move to the next stage. It is slow and tedious but we are making a little progress every day.

On a different subject, Caddell called and we had a good visit at breakfast and I have had a number of discussions with Hamilton, Jody, Bert and Kirbo. I think they will have some constructive suggestions to present to you next week. Not esoteric ideas, but concrete and precise suggestions for you to consider.

On a very personal note, Mr. President, I never dreamed, growing up in Stamford, that I would have a birthday party at the White House with the President of this nation. You are considerably more than a President -- you are a fine human being and I hope to always fully justify your friendship and your confidence.

*eyes
only*

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
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		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day.

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

FILE LOCATION
Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Ha
writing File 10/25/77 [2]

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(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.



United States
Environmental Protection Agency
Washington, D.C. 20460

C

October 21, 1977

The Administrator

WEEKLY REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

1. FEDERAL FACILITIES. We announced on October 20 that we will enforce air and water pollution control requirements at federal facilities. We identified 77 major water pollution sources and 72 major air pollution sources that are out of compliance with Federal law. The Federal Government cannot ignore its own violations while pursuing a tough enforcement policy against industrial and municipal polluters.

An effort was made during the last two Administrations to get voluntary compliance, but it was only marginally successful. We are aided now by language in the Clean Air Amendments and in the Senate version of the water bill extending our enforcement authority to federal facilities.

Barbara Blum discussed this with Bo Cutter, who assured OMB support. Barbara also made personal calls to Department and Agency heads and feels confident that they will give full cooperation.

2. LOCAL COAL. The energy conferees are expected next week to take up the Hansen amendment which would negate the provision in the Clean Air Amendments under which power plants can be required to use local coal rather than low-sulfur Western coal.

Staggers, Randolph and Metzenbaum in particular want the local coal provision retained. We have made it clear that EPA opposes the Hansen amendment, but it would be useful to make known to the conferees the existence of broader Administration support for the local coal provision.

3. WATER POLLUTION CONTROL LEGISLATION. Conference action on amendments to the Federal Water Pollution Control Act has slowed down. We are concerned about this since many controversial amendments are still pending.

An amendment that would selectively suspend environmental laws has been proposed by Acting House Public Works Committee Chairman Roberts. Designed to aid the steel industry, the amendment would authorize the President to suspend the July 1, 1979, deadline for two years if he determines that it is in the national interest. As we noted in our recent memorandum to you, only 39% of the steel industry met that deadline, compared to 85% of all major industry. Needless to say, we are opposed to this policy and the precedent it would set.

A handwritten signature in dark ink, appearing to read "Stephen Conner". The signature is fluid and cursive, with a large, sweeping initial "S" and a distinct "C" at the end.

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

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October 21, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren *Charles*
Gus Speth
Marion Edey

SUBJECT: CEQ Weekly Status Report

Presidential Trip: In response to Brzezinski's request for suggestions of themes for possible inclusion in your remarks abroad, we are working with Patsy Mink of State and Barbara Blum of EPA to submit a single set of recommendations with an environmental focus. Given your intended stress on North-South relations, non-proliferation and energy issues, one possibility for an overall, unifying theme for your speeches and on-site visits would be to stress the need to develop renewable energy resources, particularly solar, and soft energy path options.

Spent Nuclear Fuel Policy: We met with environmental, arms control and other groups during the week to develop support for Administration policy on storing foreign spent fuel in the U.S. We worked closely with the Domestic Policy Staff and DOE in drafting the Administration's policy statement which was released Tuesday.

Environmental Groups and the Bowhead Whale: Following the decision yesterday not to file an objection to the IWC action on bowhead whales, we have urged all environmental groups concerned to stress the action as a constructive government commitment to working out a sound resource management program with the Eskimos. We hope they will adopt this approach rather than talking about a victory of IWC over the Eskimos, in light of the fact that spring whaling will be strictly regulated by domestic law.

Edey Nomination: We thank you for your expression of support for Marion Edey and the assistance given her cause by Bob Thompson and Dan Tate of Frank Moore's office. We will continue efforts to reverse the action taken by the Senate committee.

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

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October 21, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze CAS
Subject: CEA Weekly Report

Social Security. I owe you a memo estimating the economic impact of various social security financing proposals. As you know, the Senate Finance Committee and the House Ways and Means Committee versions differ widely. I am awaiting from HEW some estimates of the revenue costs of various permutations of the two bills. In particular, we are interested in looking at the impact of alternative ceilings on the wage base for employers' contributions and different time patterns for implementing the changes. It is in this area that some compromise between the two versions is likely to be struck. As soon as we get the revenue estimates, we can evaluate the economic consequences of the alternative proposals.

Youth Unemployment. An interagency group led by OMB, CEA and the Domestic Policy Staff, with participation from Labor, Commerce, and Treasury, has developed a draft assessment of the youth unemployment situation. Although the preliminary conclusion is that the problem is extremely difficult and not susceptible to rapid correction through Federal programs, they have made tentative suggestions for policy responses to the problem. Further work is needed on this report, and it is proceeding.

Sugar and Meat Imports. Two important international trade issues have moved to the front burner. First, as a result of recent declines, world sugar prices have moved near to the point where our legal authority to impose tariffs and make deficiency payments will be insufficient to raise the price to the level mandated by the de la Garza amendment to the Farm Bill. Agencies concerned about the matter are meeting today to discuss what avenues are open to us to meet the de la Garza requirements at least cost to the budget and the consumer. The matter is particularly important because the Congress still has time to override

your decision several months ago to reject the quotas proposed by the International Trade Commission. Second, you will shortly have to decide on the level of meat import quotas for next year. Interested agencies will shortly be meeting to develop options for you on this issue.



THE SECRETARY OF THE TREASURY
WASHINGTON

October 21, 1977

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. STEEL

Task Force

Mike asked me to remind you of his concern that public statements promising exceptional action on antidumping cases might undercut the ability of the Solomon Task Force to fashion and negotiate a balanced solution of the steel problem.

Antidumping Petition

The National Steel Corporation has filed a petition alleging dumping of cold rolled galvanized steel sheets from France, Italy, West Germany, Belgium, the Netherlands and the U.K. Alleged dumping margins range from 20% to 50%.

2. INTERNATIONAL FINANCIAL INSTITUTIONS

By a vote of 53 to 30, the Senate Wednesday approved the Foreign Assistance Appropriations Conference Report. The measure cleared the House earlier this week by a 229 to 195 margin.

3. WITTEVEEN FACILITY

The future of the Witteveen facility is still in doubt due to our difference with the Congress over whether an appropriation bill is necessary. The resolution of the appropriation question will bear on future Congressional treatment of IMF quota increases. After meeting with you Wednesday, Mike met with Chairmen Giaimo and Mahon about the problem. They seemed firmly committed to placing this item on budget.

We are delaying the authorization bill during the next week while negotiations continue with the Budget and Appropriation Committees. This matter should not require your attention before Mike's return.

4. TAX AND LOAN ACCOUNTS

The House last week agreed to the Senate amendment to H.R. 5676 authorizing the Secretary of the Treasury to invest public moneys, clearing the way for your signature.

5. HUMPHREY-HAWKINS

As you directed, we are reviewing the present status of the bill and of our negotiations with the Congress. We will work with Charlie Schultze and Stu Eizenstat to assure that the substance and presentation of any agreement do not unduly upset the business community.

6. PRESIDENTIAL SPEECH ON THE ECONOMY

Mike hopes you will decide to give a major address soon setting forth the basic premises of the Administration's economic policy. Upon his return, Mike will send you detailed suggestions for such a speech.

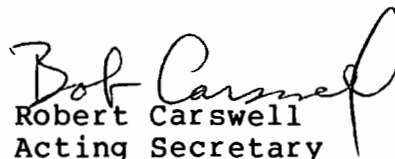
7. QUARTERLY REFINANCING

Treasury will conduct a major quarterly refinancing next week. We will raise approximately \$6.5 billion, of which \$4 billion will represent new cash. The package of Treasury securities will be orthodox -- 3 year, 10 year and 25-30 year notes.

The only unusual aspect of this financing will be our announcement of total cash needs for this calendar quarter. The money market, anticipating continued and large outlay under-runs, is forecasting a quarterly need of nearly \$5 billion less than we will announce. Publication of our cash estimate will probably cause a slight decline in bond prices and corresponding increase in interest rates.

8. TAX REFORM

We are developing detailed options for you on how the package might be slimmed down or broken into parts. Mike will send you a decision paper on his return.


Robert Carswell
Acting Secretary

U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

"FYI"

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October 21, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *RM*
SUBJECT: Major Departmental Activities, October 15-21

ENERGY

I appeared on ABC's Good Morning, America program on October 20 to promote the Administration's energy proposals. That same day in Chicago I devoted a previously planned speech before a group of airline executives to energy matters. (~~Outline of speech attached~~)

INTERNATIONAL LABOR ORGANIZATION (ILO)

On October 17, you received the two alternative recommendations from the Cabinet Level Committee on the ILO on whether to withdraw from the organization. I would appreciate another opportunity to talk with you about the ILO after I return from Scandanavia on October 31. I am sure this will be on the minds of many of my Scandanavian hosts.

MINIMUM WAGE

Congress passed the Administration's minimum wage bill on October 20 and sent it to your desk. Given the importance of this legislation, I would strongly recommend a signing ceremony in the White House Rose Garden. Since I will be out of the country next week, I would be grateful if the signing could be postponed until the week of October 31.

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COLLECTIVE BARGAINING--EAST COAST LONGSHOREMEN

Contract negotiations in the East and Gulf Coast Longshoremen's strike are continuing. Under pressure from the International Longshoremen's Association (ILA), workers in New Orleans on October 16 agreed to limit their strike to container ships. Previously, the New Orleans longshoremen had been refusing to unload all ships causing a potentially serious problem for our wheat, corn and soybean exports.

The Puerto Rico situation is currently our most recent concern. The island depends heavily on imports, especially with regard to food. There is currently only a twelve-day inventory of rice. Department of Labor investigative team has just returned from Puerto Rico.

On October 15, ILA pickets at West Coast ports were withdrawn following a court decision denying the right of West Coast longshoremen to support the East and Gulf Coast strike. We are continuing to follow the situation closely.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

Tomorrow (October 22), a House Government Operations Subcommittee will be issuing a report sharply criticizing the failure of OSHA to take aggressive action against toxic substances. Although the report is written in the present tense, the charges contained in it are the same ones that Assistant Secretary Eula Bingham and I dealt with in our May 19 press conference announcing the new "common sense" priorities for OSHA. Virtually nothing in the report reflects the changes that have occurred in OSHA since then.

TRIP TO SCANDANAVIA

I will be in Scandanavia from October 21 until October 30. I have been invited to be the American speaker at the 25th anniversary of the Fulbright scholarship program in Finland under whose auspices I spent a year in Finland in the 1950s. I will also be visiting Norway, Sweden and Denmark. While in Scandanavia, I will be meeting with President Kekkonen

of Finland, Prime Minister Jorgensen of Denmark and the labor ministers of all four countries.

BRIEFING MATERIAL FOR YOUR TRIP ABROAD

I have attached some briefing material prepared by our International Labor Affairs Bureau for the countries you will be visiting next month.

Attachments



Office of the Attorney General

Washington, D. C. 20530

October 21, 1977

Re: Principal Activities of the Department of Justice
for the Week of October 17 through 21

1. Meetings and Events

The Attorney General spoke to the National Security Traders Association Monday night in Boca Raton, Florida. He attended the sixth and final game of the World Series Tuesday night. As a Yankee fan, he was sitting next to an always impressive Dodger fan named Carter. Judge Bell gave formal interviews this week to Hays Gorey of Time Magazine about the Thevis investigation, representatives of Senior Scholastic, and Jack Anderson. On Friday, the Attorney General spoke to the Mercer University Law School Renovation Committee reception in Atlanta, and on Saturday, he will speak to the Joint Tech-Georgia Development Fund meeting in Athens. He will attend the Georgia-Kentucky game and share President Davison's box with Prince Charles.

2. Hijacking.

The Attorney General has conveyed the President's thanks for a job well done to the Federal Bureau of Investigation, local authorities, and others in connection with Thursday's hijacking. The matter was generally supervised by Deputy Attorney General Flaherty working with FBI officials.

3, KCIA.

Mr. Civiletti and Department officials have returned from Seoul; a report on the trip has been made to the President. A statement has been prepared for public release.

4. John Mitchell

William Hundley, lawyer for John Mitchell, personally presented to the Attorney General this week a letter and petition seeking commutation of the sentence of Mr. Mitchell. Judge Bell referred the petition to John Stanish, the Pardon Attorney, for consideration.

5. Joe Campus Torrez.

Five former Houston, Texas, policemen were indicted Thursday by a federal grand jury in Houston with conspiracy to deprive a Mexican-American prisoner of his civil rights, resulting in his death.

6. Plains, Georgia Police Training Program.

Four-and-one-half days of training for about 40 law officers in Plains and surrounding communities were conducted this week by the Department's Community Relations Service. Police Chief J.W. McClung asked the Service to conduct training in conflict management after demonstrators and protestors from across the country started coming to Plains.

7. Legislative Report.

Arbitration. The bill on arbitration was sent to Congress on October 20th and will be introduced by Senator Eastland and Chairman Rodino.

Special Prosecutor. The Mann Subcommittee in the House completed markup of the special prosecutor bill this week and voted the bill out to the full Committee 5-2. In the last markup session, an amendment to require a special prosecutor for the KCIA case and for any case in which three members of Congress or the leadership was involved was defeated 4-3. Full Judiciary Committee action will not be scheduled this session.

8. Panama Canal.

Two civil suits have been filed seeking to have the courts declare that the entire Congress has the exclusive right to dispose of United States property interests in the Canal Zone. The Attorney General has testified to the contrary to the Senate Foreign Relations Committee. One suit by four state attorneys general attempts original jurisdiction in the Supreme Court (filed October 13, 1977) (a similar effort to enjoin the treaty signing was dismissed for failure to seek leave to file); the other filed by fifty-one members of the House on October 3 was filed in the U.S. District Court for the District of Columbia.

9. Crime Program.

The Attorney General's Cabinet-level meeting to initiate an interagency effort to develop an administration crime program has been scheduled for 4:00 p.m. on October 25, 1977, at the Department of Justice. The Vice President, five Cabinet secretaries, and key members of the White House staff have been invited to attend.

10. Antitrust Commission.

A proposed executive order establishing a commission to study the antitrust laws was sent to the President Friday.

11. The Department's weekly report on appointments is attached.

Attachment



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

October 21, 1977

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MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

SUBJECT: Weekly Report of Major Departmental
Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development.

HUD to Conduct Youth Employment Demonstration Project. In response to a request from this Department, the Department of Labor has agreed to provide \$8 million under an interagency agreement for a one-year Youth Employment Demonstration Project. The demonstration will provide funds to test the effectiveness of using selected community development corporations and other neighborhood development organizations to combine youth employment and neighborhood revitalization efforts. Funding will be provided to local organizations in eight communities to work on rehabilitation projects in older, blighted neighborhoods. Funding decisions will be made in November and employment programs will be scheduled to begin in January 1978. The Department has set aside funds to evaluate the success of the demonstration.

Lake Alma Litigation. Bacon County and the City of Alma, Georgia have filed a petition for review by the Court of Appeals of HUD's decision to refuse to release block grant funds for the construction of Lake Alma. Plaintiffs alleged that once a grant recipient has certified that it has completed the environmental review procedures, the Secretary can refuse to release funds only under limited circumstances not applicable in this case.

Troubled Projects Study Completed. A special HUD task force has completed a thorough review of financially troubled FHA-insured projects. The three major problems with this subsidized multifamily inventory of 1,366 projects are inadequate project income to meet rapidly accelerating costs, poor project management, and inadequate HUD monitoring of project management. To correct the management problems the Department plans to set new project management standards and completely overhaul our own monitoring techniques. We also have proposed a flexible new operating subsidy to be made available when sponsors make provisions to meet our proposed management standards.

HUD Publishes Proposed New Regulations for the Block Grant Program. On Tuesday, October 25, new regulations for major portions of the Community Development Block Grant program will be published in the Federal Register for public comment. These regulations implement the new legislation and make further improvements in the management of the CDBG program, a process we began last April. CDBG funds are targeted to communities with greatest need, and new requirements would increase program equity by ensuring that low and moderate income persons are benefitted.

The regulations are designed to streamline the application process. New three-year planning requirements, to replace the current annual submission requirements, will reduce the paper-work burden on entitlement cities.

Proposed regulations for the new Urban Development Action Grant program place increased emphasis on leveraging private sector investment in local community development.

New Computer System to Support Block Grant Program. A new data processing system produced the first computer listing of the dollar amounts of grants for CDBG entitlement cities under the new dual formula provisions of the 1977 Act two days before the bill was signed. The system is designed to improve operational efficiency for the CDBG program. On an annualized basis processing under the new system is expected to require two weeks of internal processing time, while the old system consumed two months of staff time for data input and processing. Moreover, by automating some functions previously performed manually, staff time can be used more effectively

ZBB Automated System Draws Attention from Other Agencies. As part of our internal ZBB process, the Department developed a special automated system to rank decision packages and produce reports. At the request of the Postal Service, HUD staff have provided a briefing on HUD's implementation of the automated ZBB system. The FCC also has requested a similar briefing, to take place on October 26, and our system will be presented to other agencies at the December 6 meeting of the Federal Users Automated Data Processing Group.


Patricia Roberts Harris



THE SECRETARY OF THE INTERIOR
WASHINGTON

October 20, 1977

MEMORANDUM TO THE PRESIDENT

From: The Secretary of the Interior

Subject: Major Topics for the Week of October 17

I am working with Senator Talmadge on the Cumberland issue as well as Joe, Sam and others you have designated. A pamphlet on the Island is attached.

In my speech to the Coal Conference, I expressed the position that we discussed with Dale Bumpers and Wendy Anderson. "To not lease federal coal where we do not also own the surface." They have been advised.

I will meet you in Denver on Saturday as I am meeting with some Governors and cattlemen on Friday to brief them on grazing regulations before you arrive. I believe this will take the sting out of anything they might have to say.


CECIL D. ANDRUS

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THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201
October 20, 1977

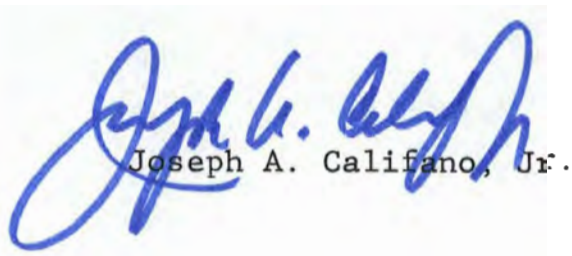
MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on significant activities in the Department of Health, Education, and Welfare:

- West Coast Trip: I will travel to Los Angeles on Friday to speak at a fund-raiser for Jim Corman, Chairman of the House Subcommittee on Welfare Reform. After attending the dinner for you, I will visit the regional office in San Francisco, speak to a fund-raiser for Oregon Democrats at Al Ullman's suggestion, and, as noted last week, speak to the College Entrance Examination Board on educational testing. As you requested, the education speech will emphasize the importance of competency tests, urge the States to use them as an integral part of their elementary and secondary school programs, and recommend against a national test at this time.
- Social Security Financing: There has been slippage in the House schedule, and the bill will not be taken up on the floor until next Wednesday. We expect passage of the Fisher amendment, which deletes the extension of social security coverage to Federal, State, and local employees. We are working to defeat the Pickle amendment, which would eliminate authority for the trust funds to borrow from general revenue. On the Senate side, Gaylord Nelson has modified his proposal in order to reduce the early economic impact of the financing package by taxing the employer wage base only up to \$50,000 in 1979 (rather than \$100,000). This meets some of the concerns expressed to me last week by Mike Blumenthal and Charlie Schultze. The House delay will push back Senate floor action.
- Cost Containment: Due to the demands made on Ways and Means Members by the Energy Conference Committee, Chairman Rostenkowski has indicated that he will have difficulty scheduling another mark-up for his Health Subcommittee in the near future. This change from last week now almost surely will delay passage of your cost containment legislation until next year.

- Energy: I will speak on the energy program during my West Coast trip and, if possible, during a brief trip to New York next week. I will emphasize that costs for health and education are rising precipitously, in part because of the rise in energy costs. I will also stress that energy price increases have a disproportionate and adverse impact on low income citizens: who pay a much greater percentage of their income on energy than middle income families.



Joseph A. Califano, Jr.

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

October 21, 1977

"FYI"

REPORT TO THE PRESIDENT

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Third Quarter Gross National Product (GNP)

According to our preliminary estimates released this week, the Nation's GNP increased at only a 3.8 percent annual rate in the third quarter. One of the weaker sectors of the economy was consumer spending. Had it not been for the moderation in the inflation rate which helped consumers' dollars go further, and support provided by the stimulative programs already enacted, the third quarter economic performance would probably have been weaker. The third quarter estimates are additional evidence that further fiscal actions, such as tax reductions and new spending initiatives on urban programs, are likely to be needed in 1978 in order to put the economy back on the desired growth path.

U.S./USSR Freight Rate Agreement

Successful negotiations were concluded last week regarding 1978 freight rates to be paid by the Soviets for grain movement to the USSR on U.S.-flag vessels under our current bilateral Maritime Agreement. A favorable rate of \$16.00 per long ton was agreed upon, as were demurrage and dispatch rates and charter party terms. We believe it significant that there was less debate and delay in reaching agreement in this year's meeting than at any time in recent experience. Under the basic Maritime Agreement a third of the tonnage moving between the U.S. and the USSR is reserved for U.S.-flag ships and a third for Soviet ships, with the remaining going to other carriers.

Technological Advancement in the People's Republic of China (PRC)

Dr. Jordan Baruch, Assistant Secretary for Science and Technology, just returned from a three-week tour of the PRC, as a member of the Institute of Electrical and Electronic Engineers delegation. He was most impressed with the phenomenal increase in the rate of technological advancement and factory expansion over the past year. While the PRC is concentrating on technological development in support of both industrial and consumer goods for domestic use, Dr. Baruch's conversations with Ministry officials indicate that there is now a real potential for opening up new areas of technological trade with the PRC, involving both products and licenses.


Conference for Representatives of Steel Communities

A two-day session on available Federal assistance programs was held this week to brief approximately 100 mayors and other representatives from areas distressed by steel plant cutbacks and closures. The briefings were conducted by Commerce's Economic Development Administration, the Labor Department, and HUD. Although the conference mainly addressed community problems, the issue of relief for the steel industry was raised repeatedly by the attendees.

Yesterday, during a visit to Pittsburgh, I met with members of the Pittsburgh Area Building and Construction Trades Council. They were particularly concerned over the problem of steel imports, but were pleased to learn more about Administration actions to resist dumping of steel in the U.S., and actions to assist communities affected by steel plant closings.

Census Reform Status

I have advised Jim McIntyre of my plans for a review of our 1980 census procedures by an independent committee. I believe such a review is important to insure we have a successful 1980 census; such a review should also help alleviate Congressman Lehman's concerns in this area.


Juanita M. Kreps



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

October 21, 1977

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

STRIKE. Although the Longshoremen have resumed bulk cargo operations in New Orleans, port authorities estimate it will take up to two weeks to resume normal grain shipment operations.

INSURANCE. The Federal Crop Insurance Corporation will use all available funds for indemnity payments by December 31. Authorization to increase capital stock by \$50 million will probably be included in pending supplemental appropriations legislation. It has been cleared by OMB.

TRAVEL. At out-of-town meetings the Secretary has observed what he considers to be excessive Washington-based USDA employees. *good*

While we want to maintain our presence in the field, the Secretary has asked all assistant secretaries and agency heads to review travel procedures and approvals.

FmHA-ASCS. The weekly update on FmHA-ASCS appointments is attached.

John C. White
JOHN C. WHITE
Acting Secretary

Attachments-2

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ENERGY AND EMPLOYMENT TALKING POINTS

1. We have a very critical energy problem that could have profound impact on our standard of living and national security.

The crisis in large measure is due to the complexity of the problem. Complexity makes it easy for vested interests to confuse the public.

It would be difficult to exaggerate the impact of energy on human affairs. Indeed, the impact is so pervasive that we have difficulty measuring or fully understanding the impact of changing energy supplies until the process of change is complete.

Impact on the distribution of the world's people. In 1750 the population of the western world was concentrated where food was located -- but in 1900 the population was concentrated near coal supplies. Consider the impact of petroleum and the development of automobile and modern transportation systems.

2. The basic energy problem:

A. Because of its convenience and relatively low prices, we have become too dependent on oil and gas as sources of energy. At present rates of consumption, the United States will virtually deplete oil reserves long before 2,000 and world reserves will be seriously depleted during the early part of the 21st century -- which is not too far away.

B. This dependency and supply situation has made the United States and other countries dangerously dependent on the International Oil Cartel that many domestic oil and gas producers would like to benefit from.

C. This International Energy Cartel has already caused serious threats to the economies and national security of the United States and other countries. The present International inflation and economic recession is due in large part to the Arab oil boycott of 1973.

D. Our failure to act will cause this situation to get worse, causing inflation, unemployment, personal and economic dislocations, and serious threats to our national security.

The longer we wait to act, the more difficult it will be to deal with this problem.

President Carter's energy proposals will give us time to work out a rational, orderly solution to the problem. If we wait, it will be very difficult to avoid rationing and detailed controls.

The president's plan seeks to (1) conserve our diminishing oil and gas resources; (2) encourage the use of more plentiful energy sources like coal; (3) encourage research and development activities to make solar and other untapped energy sources more readily available; and (4) provide direct government expenditures for energy conserving activities like weatherization of the homes of poor people and energy-saving transportation systems.

To achieve its objectives, the President's plan seeks to avoid detailed controls. His plan relies primarily on tax incentives and penalties and direct government expenditures.

President Carter's proposals make maximum feasible use of free market incentives and avoid rationing and detailed controls.

The President recognizes, however, that because of the International Energy Cartel, free market forces cannot be relied on entirely to allocate energy supplies. The consequences of complete de-regulation:

1. Domestic producers would, in effect, be permitted to join the International Oil Cartel. Deregulation also would cause higher prices to consumers and windfall profits to producers; would provide no incentive to promote conservation, which is the most cost-effective thing we can do in the energy field; and would not encourage the development of alternative energy sources unless it benefitted the International Oil Cartel.

2. Without the President's program there would be continued uncertainty about energy supplies and prices. Uncertainty poses a serious threat to national security and economic development and employment. Uncertainty also leads to speculation and withholding of oil and gas supplies in order to gain from expected future price increases.

I know something about deregulation of energy prices because in Texas, where I live, gas prices are the highest in the Nation, even though we are a major gas-producing state. These high prices have not always produced an abundant supply of gas for domestic markets. Many Texas cities including Austin have had serious supply problems in recent years. Producers in Texas might benefit from deregulation, but it would be at the expense of consumers.

There is no evidence showing that higher prices to domestic producers are either necessary or would lead to greater exploration of oil and gas. Domestic oil prices have increased greatly since 1973 and explorations are proceeding about as fast as is physically possible.

It is also questionable that we should accelerate this pace. Our oil reserves are not going anywhere if we do not develop them immediately. These reserves will be more valuable in the future than they are now. They also will be more accessible than foreign sources.

The President's program would lead to the creation of many new jobs associated with energy conservation and the development of non-petroleum energy sources.

1. 4.5 million new jobs created by the reduction of oil imports by 4.5 million barrels per day - ERDA 1 BBL/DAY=1 Job.
2. 572,125 jobs would be provided in power-plant construction.
3. 200,000 coal mine jobs could be created by 1980
4. At least 20,000 jobs in weatherizing 2 million homes.

Business and consumer confidence will rise because of greater certainty about energy policy. This confidence should stimulate the private investment required for greater economic growth and more jobs.

Consumers will gain greater protection from the monopoly pricing practices of the Oil Cartel.

A fair and equitable energy policy will be in place. Producers will have adequate profits to encourage investment, but will not receive the \$11.5 billion annual windfall profits that represent the difference between the International Cartel price of oil and the regulated domestic price. The President's proposal would use a well head tax on oil to equalize domestic and international prices, but would capture these monopoly profits for the country as a whole. Price equalization would greatly simplify the present complicated pricing system and let higher prices discourage the domestic use of scarce oil and gas reserves.

CONCLUSION

1. We have a very serious energy problem that is likely to get worse before it gets better unless we develop an effective energy policy.
2. The energy problem has already created serious economic problems throughout the world. Failure to act will make it very difficult to avoid inflation, unemployment, economic instability, rationing and detailed controls of energy supplies and prices.
3. The President's energy proposal will deal with this problem in a fair and rational way. It will (1) encourage the substitution of more abundant energy sources like coal for oil and gas; (2) encourage cost-effective conservation measures; (3) protect the interests of consumers and the legitimate interest of producers; (4) reduce dependence on oil imports, and (5) encourage technological developments to produce ultimately more abundant solar or other non-petroleum energy.

While failure to act will have serious adverse economic effects, approval of the President's program will:

1. Generate 1 job for each reduction of oil imports by one barrel a day. This could result in the emergence of 4,500,000 domestic jobs by 1988.
2. Create at least an additional million jobs in energy-related activities.
3. Improve business confidence and investment by creating greater certainty about energy policies, supplies and prices.

We therefore need to do everything possible to urge the Senate and House conferees to adopt an energy bill based on the President's proposals.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson

Jane Frank *Jane*

October 21, 1977

RE:

Summaries for the Week of October 17 -
21, 1977

We are forwarding summaries received from the
following:

Agriculture
Commerce
Defense
HEW
HUD
Interior
Justice

Labor
Transportation
Treasury
CEA
CEQ
EPA
GSA
STR
u.s.

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7:30 AM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

October 24, 1977

CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, October 25, 1977

7:30 a.m.

Family Dining Room

From: Frank Moore *F.m.*

I. PARTICIPANTS

See attached list

II. PRESS PLAN

White House photo only

III. TALKING POINTS

1. B-1. You should reiterate your appreciation to the leadership for their outstanding help on last week's B-1 vote, specifically the Speaker's speech, Jim Wright's support and Rostenkowski's work with the Illinois delegation.

You should ask for their continued support -- there will be another attempt by the House to add the B-1 funds on Tuesday.

2. Social Security Financing. The vote will come on Wednesday, October 26. We have been working with HEW to pass the Fisher amendment and defeat the Pickle amendment.

3. Outer Continental Shelf. We have been talking to Congressman Sisk. We need one more vote to have OCS reported from the Rules Committee and Sisk is our best bet. O'Neill has been helping us; Wright is opposed to moving the bill out of Committee.

4. Energy. As you know, our strategy on the Senate energy tax bill is to take no position on individual amendments and points of order. We plan to state that our over-riding interest is to get the energy legislation into conference where a final bill will be shaped.

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We will also state that the Administration believes that the Conference Committee should consider seriously only those features of the Finance Committee-reported and House-passed bills which are consistent with the objectives of your national energy plan and which do not unduly enrich the energy industry or harm consumers and which do not break the budget.

We expect to have Senators Long, Jackson and Proxmire attend the breakfast (Senator Proxmire at Byrd's request) in the hope that their jurisdictional squabble and simmering personal feud can be pushed aside in the interest of getting the national energy plan adopted this year.

Senator Jackson and Senator Proxmire are antagonists of the energy industry; Senator Long is a protagonist. Senator Long favors the enactment of most of our energy taxes; Jackson and Proxmire do not. Jackson feels that Long's Committee encroached on his Energy Committee's jurisdiction by trying to take action on oil price controls. Proxmire feels that Long's Committee tried to encroach on his Banking Committee's jurisdiction by attempting to set-up a trust fund from which an energy financing corporation could disperse monies for energy related purposes (Proxmire's Committee has jurisdiction over most Federal agencies, corporations and banks which make loans and loan guarantees). Long feels that Jackson's Energy Committee encroached on his Committee's jurisdiction by adopting the Metzenbaum resolution against the crude oil equalization tax. Proxmire's Committee has made no similar affronts.

PARTICIPANTS

The President

The Vice President

Secretary Schlesinger

Senate

Robert Byrd

Alan Cranston

Hubert Humphrey

Daniel Inouye

Russell Long

Henry Jackson

William Proxmire

House

Speaker O'Neill

Jim Wright

John Brademas

Tom Foley

Dan Rostenkowski

Shirley Chisholm

Frank Moore

Ken Curtis, DNC

Dan Tate

Bob Thomson

Bill Cable

Jim Free

Bill Smith

Stu Eizenstat

THE WHITE HOUSE
WASHINGTON

October 25, 1977

Hamilton Jordan

The attached was returned in
the President's outbox. It is
forwarded to you for appropriate
handling.

Rick Hutcheson

RE: FINANCE COMMITTEE BILL

cc: The Vice President
Stu Eizenstat

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THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
	/	EIZENSTAT
/		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to
Carp/Huron within
48 hours; due to
Staff Secretary
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

MEMORANDUM

THE PRESIDENT HAS SEEN.
THE WHITE HOUSE
WASHINGTON

Q

October 25, 1977
12:40 p.m.

to: 26 president
Fy1

MEMORANDUM TO: FRANK MOORE
FROM: DAN TATE

Late this morning Senators Jackson, Proxmire and Long and their staffs sat down and worked out an arrangement whereby Proxmire and Jackson will not raise points of order against the Finance Committees' bill on the ground that it violates their committees' jurisdiction. However, Scoop is still talking about opposing the Finance Committee bill and may be a leader of efforts to substantially amend the bill.

I also talked with Senator Baker who said he will help get a bill to conference. However, he did not specify what position he would take on proposed amendments and he virtually promised to oppose all or part of the conference report.

Thus far I have talked personally with the following "liberal" Senators to let them know the Administration's position on Senate floor action (as outlined in the talking points used by the President this morning):

Abourezk
Bumpers
Metzenbaum
Jackson
Hathaway

I have not been able to talk with Senator Kennedy personally but have communicated with his staff.

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